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Donna Monfecte  
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Springfield, TN 37172-2127

RE: TTB NOTICE NUMBER FOUR

May 17, 2003

Chief  
Regulations and Procedures Division  
Alcohol and Tobacco Tax and Trade Bureau  
Washington, D.C. 20091-0221

Dear Alcohol Tobacco Tax and Trade Bureau:

Retailers are well aware of fluctuations in the market place, which can, at times, cause their profits to fall. As business people, they do not expect the government to bail them out of these difficult time periods. However, they do not expect the government, which is supposed to protect the needs of the people to bury them under taxes and regulations! That is exactly what the rules changes to flavored malt beverages, currently being proposed by the TTB, would do. During these extremely difficult economic times, our government should concentrate on reducing, not increasing our tax burdens.

The proposed rules changes will NOT protect the excise tax revenue as the TTB hopes. It will, however, succeed in reducing sales of flavored malt beverages by pricing them far too high. That in turn will destroy retail sales and business profits. If we do not make sales and have no profits, the excise tax NEVER gets collected. This is proof that there is absolutely no reason to change the rules, which have been controlling the flavored malt beverage market for over 30 years. To do so will only wreak havoc on our economy, not help it!

The fundamental misunderstanding between the TTB and the flavored malt beverage industry has not gone so far that it cannot be corrected if both sides are willing to compromise. The future of our industry depends on it. Go back to the drawing board and find a better way to solve this dilemma that does not include hurting the consumers or retailers of flavored malt drinks.

Sincerely,

Donna Monfecte

Scot Market